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STATE FOR AF/SPG, PRM, AND ALSO PASS USAID/W USAID FOR DCHA SUDAN TEAM, AFR/SP NAIROBI FOR USAID/DCHA/OFDA, USAID/REDSO, AND FAS GENEVA FOR NKYLOH NAIROBI FOR SFO NSC FOR PMARCHAM, MMAGAN, AND TSHORTLEY ADDIS ABABA FOR USAU USUN FOR TMALY BRUSSELS FOR PLERNER

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SUBJECT: SUDAN - SOUTHERN KORDOFAN SITUATION REPORT

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Summary and Comment

11. On September 2, USAID staff visited Kadugli and Abyei towns in Southern Kordofan State to track progress on the implementation of the Comprehensive Peace Agreement (CPA) and determine appropriate areas for USAID support. In the state capital, Kadugli, some administrative restructuring has occurred and opportunities to move forward with CPA implementation exist. However, the lack of a state constitution impedes progress, as does the centralized control over development resource allocation, which is a sign that resources are not yet being redistributed according to the CPA. A noticeable lack of devolution of the development planning process continues to undermine the state government's objectiveness and risks further increasing existing inequities in the state, counter to the principles of the CPA. In Abyei, implementation of the CPA is not advancing as planned, largely due to a lack of an official regional government. USAID staff report that current challenges for Abyei include conflict over land rights between the Dinka and Misseriya ethnic groups, conflict over nomad migration routes, resettlement of groups in contested areas, the slow disarmament process, and weak human rights monitoring. End summary and comment.

Local Governance

- 12. Equitable distribution of development assistance is a key principle of the CPA and should be a central criterion for the distribution of central funds. Two major issues are currently impeding equitable distribution: 1) in Southern Kordofan, current structures that allow for money allocated for development to be used instead for government operations; and 2) in Abyei, relations between the Dinka and Misseriya.
- 13. The CPA stipulates that, in addition to standard central government transfers, 2 percent of oil revenues in Southern Kordofan should be given to the state. According to the State Minister of Economy and Investment, Southern Kordofan State received a monthly contribution of 1 percent share in oil revenues, approximately USD 1.2 to 1.4 million, in August. This contribution indicates that indeed money has begun to be distributed according to CPA

stipulations. In conversations, it was reported to USAID that this money was spent on government operations, specifically on the procurement of vehicles, rather than on development-related projects because the central government had not transferred expected operational funds to the state. The separation of development and operational funds would help prevent development funds from being spent on operational budget items. (Comment: The diversion of development funds to government operations is particularly harmful during the pre-interim period because the general population sees government officials well-outfitted with vehicles and other assets, while people's home areas remain without any development. This could cause significant tension and difficulty for the fledging government. End comment.)

- 14. The Ministry of Economics and Planning has been formed out of the old Department of Economics and Planning, which was formerly under the Ministry of Finance. In the future, development funding is supposed to be funneled through this new ministry, while operations funds will be channeled through the Ministry of Finance. (Comment: This division of responsibilities could improve transparency in development planning and expenditures, but close coordination between the two ministries will be needed to assure that sufficient operational budgets will be allocated to implement and sustain development projects. End comment.)
- ¶5. In Abyei, an impediment to equitable distribution of development is that tension over land makes it difficult for the Dinka and Misseriya to jointly discuss development priorities. Traditionally, the two groups negotiate the Misseriya's access to pass through Dinka land along three separate routes in committees formed annually. The two groups are in agreement that: 1) there are Dinka areas that are uncontested; 2) there are Misseriya areas to the north and west of Abyei that are uncontested; and 3) the Misseriya have rights of passage to migrate into Dinka areas with their cattle under negotiated terms. In conversations over development priorities in Abyei, the Dinka perceive any involvement of the Misseriya as an acknowledgment of Misseriya rights to resettle in Dinka areas, as defined by the Abyei Boundaries Commission.

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(Comment: The annual fora, however, may provide a rare opportunity to discuss development priorities as long as the Dinka are assured that any discussion is clearly related only to seasonal migration of the Misseriya, and not permanent settlement in Dinka areas. End comment.)

16. Currently, the majority of development programs are concentrated around Abyei, with few activities in uncontested Misseriya areas, such as Al Muglad and Al Fula towns located to the north and west of the capital, providing an implicit incentive for Misseriya groups to settle closer to Abyei rather than in contested areas just north of Abyei. (Comment: Development activities in uncontested Misseriya areas would greatly mitigate the tension and, therefore potential conflict, over resources in Abyei. End comment.)

Areas of Conflict

17. In the coming dry season, Ngok Dinka are expected to return to Abyei and villages in the far north of the state. Most resettlement in 2005, the first year of CPA implementation, was around Abyei town and the southern parts of the state. Recently, Misseriya groups have settled in the villages of Allal, Langar, and Mabaik, which the Ngok Dinka fled in 1964 after the war destroyed these areas. These are the same towns where the Ngok Dinka are expected to return in the coming months, which could lead to violence. Currently, many Ngok Dinka returnees are waiting near Makere town to assess the security situation before moving back to Allal, Langar, or Mabaik villages.

Human Rights

the UN Mission in Sudan (UNMIS) from monitoring north of Abyei town, by requiring special permits. UNMIS has declined to request a permit because it claims it should have unrestricted access to these areas and fears a permit would set a precedent for future requirements. Although other UN bodies such as the UN World Food Program (WFP), UN Children's Fund (UNICEF), and UN Development Program (UNDP) are permitted in the area without UNMIS, there is currently no formal human rights monitoring taking place.

- 19. Since the end of the Joint Military Commission (JMC) operations in January 2006, human rights monitoring in the Nuba Mountains has decreased significantly. Currently, UNMIS Human Rights Unit (UNMIS-HR) is the only organization monitoring human rights in the area. However, UNMIS-HR only conducts periodic patrols and occasional investigations of cases. To bolster human rights monitoring, USAID's Office of Transition Initiatives (USAID/OTI) has initiated a project to train local human rights monitors. The UN has also expressed interest in setting up a local monitoring institution in the future.
- 110. The UNDP Rule of Law program is currently documenting customary law practices throughout the Nuba Mountains and Abyei. UNDP plans to use this information to facilitate the adaptation and standardization of customary law practices with international human rights standards. Although UNDP has funding for the current study, the organization lacks the resources to disseminate the findings and to facilitate law reform based on the findings. USAID/OTI is considering how best to support UNDP and law reform in the Nuba Mountains.

Conclusions

- 111. USAID concludes that strengthening the role of local development planning, including pressuring the central government to fully comply with CPA stipulations on wealth sharing is important to long-term peace and advancement of the implementation of the CPA in Southern Kordofan State. USAID will support efforts by non-governmental organizations (NGOs) and the UN in these areas. Additionally, USAID recognizes the importance of developing programs in uncontested Misseriya areas to decrease incentives to settle in Dinka areas around Abyei.
- $\underline{\ }$ 12. USAID will work in coordination with UNMIS-HR and UNDP Rule of

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Law programs to support increased local human rights monitoring around Dilling, Lagawa, and north of Abyei. Pressure from the international community on the Government of National Unity to remove movement restrictions on UNMIS north of Abyei, however, is needed.

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